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DDC 6-486

2805-0
28 February 1958

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: Overseas Employees' Fringe Benefits Act

1. Several days ago the Bureau of the Budget called and indicated that H. R. 3627, copy attached, was to be adopted as the Administration's bill and would be actively pushed on the Hill. It was requested that at the earliest possible moment the Central Intelligence Agency furnish comments on the bill.

2. At a meeting today various aspects of the bill were considered. Individuals present were:

Personnel
Comptroller
Legislation
DD/I - A
DD/P - I
SBA/DD/

OGC - Lawrence R. Houston,
Legislative Counsel - John S. Warner

The group reached the unanimous conclusion that this was a good bill and would extend many additional benefits to the Agency as well as to other Government agencies and that we should endorse it wholeheartedly as it is presently written.

3. From the lawyers' standpoint there are many technical points which we probably otherwise would make comments on since there are amendments to the CIA Act contained in it. Technically, some of the drafting is poor and if passed as now written would leave

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a few loose ends in P. L. 110 such as section 5 (b) which grants no State Department allowances which would be rendered ineffective since the State Department allowance ceilings are being repealed. However, under all the circumstances involved, we do not believe it desirable to push these very technical points which will have no effect on the substantive provisions.

4. The following is a summary of the principal benefits contained in the bill:

a. It places all allowances and differentials for foreign areas for the entire Government, including Foreign Service and CIA, in one law. Consequently, the State Department authority for allowances is repealed and our authorities are effectively repealed. In this connection foreign areas for allowances and differential purposes do include the trust territories. The following types of allowances are granted which are substantially in accord with existing allowances for CIA and State:

(1) Quarters allowance;

(2) Temporary lodging allowance including authority for payment for up to one month immediately preceding final departure;

(3) Necessary payments incurred in initial repairs, alterations and improvements to employees' privately leased residences (this is new and highly desirable);

(4) Cost-of-living allowance;

(5) Transfer allowance;

(6) Separation allowance;

(7) Education allowance including tuition expenses and transportation to the United States. This allowance is also available to employees in the Panama Canal Zone.

(8) Post differentials not to exceed 25 per cent.

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b. Miscellaneous expenses.

- (1) **Representative allowances are made available to all Government agencies and, in addition, official residence allowances are made available for chief representatives of the U. S. and other senior officials. These are available only in foreign areas and applicable to all agencies although it is highly likely that CIA would continue its expenditures for this purpose under the existing law.**
- (2) **The storage of furniture and household and personal effects for employees of the Agency is permitted without regard to emergency conditions based solely on the criteria of a place to which he cannot take or at which he is unable to use. This is contained in a proposed amendment to the CIA Act but, in addition, similar authority is contained as an amendment to the Administrative Expenses Act of 1946 (the old P. L. 600). This is available to all Government agencies and available to employees at posts anywhere outside the continental U. S. including territories.**
- (3) **There is made available to all Government agencies the authority to ship a motor vehicle (which presumably could include scooters and motorcycles as well as automobiles) to posts of duty outside the continental U. S. including the territories and possessions. Although not finally determined, it is our opinion that this authority will be available to CIA in addition to its presently existing authority.**

c. Amendments to the Annual and Sick Leave Act.

Essentially the bill will grant to employees of all Government agencies the home leave benefits now available to Foreign Service. It consolidates the law so that there is one law applicable to all Government employees. The home leave accumulation of one week for four months abroad would be available to employees at posts outside the continental

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U. S. which includes posts in the territories and possessions. The annual leave accumulation presently 45 days for all employees overseas except Foreign Service who are limited to 30 days is changed so that all employees will now have a 45-day limit in addition to the home leave benefits.

5. As stated above, we believe this is an excellent bill and through uniformity among Government agencies will reduce a great deal of our administrative problems in addition to granting of the substantive benefits involved. It is recommended that we advise the Bureau of the Budget that we support this bill as presently written including certain amendments which we have been informed are to be included. Of course every effort will be made to follow the progress of this bill and possible amendments which may have an adverse effect on the Agency.

(2)
JOHN S. WARNER
Legislative Counsel

AM - H. R. 3627

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cc: all present at meeting

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